APPENDIX.

A. The Following Are Pertinent Provisions of the Producers-Screen Actors Guild Memorandum Agreement of 1965 Covering Residuals Payable to Actors for the Television Exhibition of Theatrical Motion Pictures.

1. *Television Exhibition of Theatrical Motion Pictures the Principal Photography of which Commenced after January 31, 1966*

(a) *Schedule of Payments:* With respect to each theatrical motion picture produced hereunder, the principal photography of which commences after January 31, 1966, which is released by Producer for exhibition on free television anywhere in the world, Producer agrees to pay to each actor whose services are included in such motion picture when telecast, compensation not less than the amounts provided herein. The term "actor" means those persons covered by the Basic Agreement and includes actors, singers, stuntmen and airplane pilots. Said compensation herein called "television fees" shall be computed on the following amounts (hereinafter referred to as base amounts) for the applicable length of engagement:

(1) Actors employed by the day:

Number of Days Worked or Guaranteed, whichever is Longer	Base Amount
One (1) day	$100
Two (2) days	$150
Three (3) days	$200
Four (4) days	$250

Five or more days shall be covered by the schedule below for all other actors.

All other Actors:

Number of Weeks Worked or Guaranteed, whichever is Longer	Base Amount
One (1) week*	$300
Two (2) weeks*	$400
Three (3) weeks or more	$500

*In applying the foregoing schedule an actor who works or is guaranteed a fractional week in excess of one week or two weeks shall be deemed to have worked a full additional week.

(2) Television fees shall be computed on the foregoing base amounts as follows:

(i) When such theatrical motion picture is initially exhibited on free television anywhere in the world, the following percentage of the applicable base amount shall be due: 30%

When Distributor's gross receipts (as defined in subsection (b) below) from the distribution on free television of such motion picture amount to $125,000, the following additional percentage of the base amount shall be due: 12-½%

When such gross receipts from the distribution on free television of such motion picture amount to $200,000, the following additional percentage of the base amount shall be due: 25%

When such gross receipts from the distribution on free television of such motion picture amount to $300,000, the following additional percentage of the base amount shall be due: 22-½%

When such gross receipts from the distribution on free television of such motion picture amount to $400,000, the following additional percentage of the base amount shall be due: 22-½%

When such gross receipts from the distribution on free television of such motion picture mount to $500,000, the following additional percentage of the base amount shall be due: 20%

After each additional full increment of $100,00 of such gross receipts in excess of $500,000 the following additional percentage of the base amount shall be due: 10%

(ii) Prime Time Network Exhibition: Not later than thirty (30) days after the first network exhibition on free television of any such motion picture in the United States, occurring in whole or in part during prime time, there shall be due and payable to actor (as a non-returnable advance against the payments due under the foregoing schedule) not less than 70% of the applicable base amount; provided that any amounts there-

tofore paid under this Section 1 shall be credited against such 70% payment.

Prime time shall mean 7:00 p.m. to 11:00 p.m.

As used herein, the term "network exhibition" shall mean the telecasting of such picture over the network facilities in the United States of NBC, CBS, or ABC, except (i) pictures telecast on a single regional network presently established and (ii) motion pictures telecast on any single regional network which may hereafter be established and which does not include New York, Chicago, or Los Angeles.

(b) *Definition of Distributor's Gross Receipts:* As used herein the term "Distributor's gross receipts" shall mean the absolute gross income received by all Distributors (as hereinafter defined) of such motion picture from the telecasting thereof on free television anywhere in the world and including, in the case of a "foreign territorial sale" by any such Distributor, the income received from such sale by such Distributor but not the income received by the "purchaser" or "licensee";

* * * * *

"Distributor" as used in this agreement shall mean the Producer when it distributes such motion picture through its own distribution facilities for telecasting on free television, and all other distributors engaged by Producer to distribute such motion picture for telecasting on free television.

* * * * *

2. *Responsibility for Payments* With respect to all motion pictures produced hereunder principal photography of which commenced on or after August 1, 1965, the following provisions shall be applicable:

(a) *Television Distributor's Assumption Agreement:* Prior to the commencement of principal photography of each such motion picture in which one or more actors covered by the Basic Agreement renders services, if the Producer is not also the Distributor on free television of such motion picture, Producer shall obtain from the Distributor having such free television distribution rights and deliver to Guild, a separate written agreement herein called "TELEVISION DISTRIBUTOR'S ASSUMPTION AGREEMENT," made expressly for the benefit of Guild as representative of the actors involved, by which such Distributor agrees to assume and pay the amounts payable hereunder by reason of the exhibition of such motion picture on free television, when and as the same become due.

* * * * *

B. The Following Are Pertinent Provisions of the 1967 SCREEN ACTORS GUILD TELEVISION AGREEMENT Covering Residuals Payable to Actors When Television Motion Pictures Are Rerun on Television.

15. Additional Compensation for Reruns and Foreign Telecasts.

(a) The salary paid to the player for his services in a television motion picture shall constitute payment in full for the telecasting of suchmotion picture once in each city in the United States and Canada in which any television broadcasting stations are

now located and once in each city in the United States and Canada in which any television broadcasting stations are hereafter for the first time established.

(b) Rerun Formula in the United States and Canada.

(1) A television motion picture which has been telecast not more than once in any city in the United States and Canada is in its first run. A television motion picture which has been telecast more than once, but not more than twice, in any city in the United States and Canada, is in its second run. A similar test applies in determining when a television motion picture is in its third and succeeding runs.

(2) If the Producer desires to acquire the right to telecast any television motion picture for more than one run in the United States and Canada, the employment contract of each player engaged therein shall contain a separate provision for additional compensation for reruns, which shall be not less than the following amounts:

For the second run, not less than 50% of the player's total applicable minimum salary if such second run includes the telecasting of such picture over a television network, otherwise such payment shall be not less than 40% of the player's total applicable minimum salary;

For the third run, not less than 40% of the player's total applicable minimum salary if such third run includes the telecasting of

such picture over a television network, otherwise such payment shall be not less than 30% of the player's total applicable minimum salary;

For the fourth run, not less than 25% of the player's total applicable minimum salary;

For the fifth run, not less than 25% of the player's total applicable minimum salary;

For the sixth run, not less than 25% of the player's total applicable minimum salary;

For the seventh run, not less than 15% of the player's total applicable minimum salary;

For the eighth run, not less than 15% of the player's total applicable minimum salary;

For the ninth run, not less than 15% of the player's total applicable minimum salary;

For the tenth and all additional runs, a single additional fee of 15% of the player's total applicable minimum salary.

The "total applicable minimum salary" is the total minimum salary for the type of contract under which the player was employed, for the period of the player's employment.

* * * *

(e) All payments of additional compensation for reruns, theatrical exhibition or foreign telecasts shall be made promptly by check, payable to the order of the player entitled thereto, and if not initially paid to the player, shall be delivered to Screen Actors Guild for forwarding to such player and compliance herewith shall constitute payment to the player. The Producer shall accompany such checks

with a statement of the title of the film and the use for which such payment is made. If Producer fails to pay such additional compensation when due and payable such delinquent payment shall bear interest at the rate of ten per cent (10%) per annum commencing to accrue from the date of such delinquency.

The Producer shall keep or have access to (i) complete records showing all cities in the United States and Canada in which all television motion pictures subject to this agreement have been telecast and the number of telecasts in each such city, the television stations on which telecast, and the dates thereof, and (ii) complete records showing Distributor's Foreign Gross for such pictures to the extent that such records are pertinent to the computation of payments for foreign telecasting.

Producer shall also keep or have access to such records as are necessary for the computation of additional compensation for re-runs and foreign telecasts for so long as such re-run or foreign telecast payments may be due or payable. Screen Actors Guild shall have the right, at all reasonable times, to inspect such records. The undersigned shall give Screen Actors Guild prompt written notice of the date on which each television motion picture covered hereby is first telecast in any city in the United States and Canada for the second run and for each subsequent run thereafter to and including the tenth run.

* * * * *

17. Responsibility for Residuals—Television Distributor's Liability and Producer's Liability.

(a) If a signatory Producer produces a television motion picture of which it is not the distributor and enters into a distribution agreement with a distributor who is not a signatory to the 1967 SCREEN ACTORS GUILD TELEVISION AGREEMENT, Producer shall forthwith upon entering into such distribution agreement, obtain from the distributor and deliver to the Guild a separate written agreement, herein called "Television Distributor's Assumption Agreement," made expressly for the benefit of the Guild as representative of the actors involved, by which such distributor agrees to assume and pay all fees and payments which become payable by reason of distribution under such distribution agreement as and when the same become due.

In the event of the expiration or termination of any such distribution agreement, the obligation of Producer to obtain and deliver to the Guild such Television Distributor's Assumption Agreement shall apply as well to any subsequent distribution agreement entered into by Producer with a nonsignatory, and Producer shall obtain and deliver an executed Television Distributor's Assumption Agreement within ten days after the execution of each such subsequent distribution agreement.